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SENSITIVE
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PASS TO RICHARD GREENBERG, OPIC

E.O. 12958: N/A
TAGS: [ECON](#) [EINT](#) [EFIN](#) [OPIC](#) [CO](#) [EINV](#)
SUBJECT: COLOMBIA: REPONSE TO OPIC ON MICROFINANCE GROWTH FUND

REF: 09 STATE 096859

¶1. (SBU) Summary: Embassy contacts at Colombia's National Association of Financial Institutions (ANIF) described the Women's World Banking (WWB) microfinance institutions (MFIs) in Bucaramanga, Cali, and Popayan as outstanding lending institutions with a solid reputation in Colombia. Forbes Magazine ranked the three institutions in the top 10 in its "Top 50 Microfinance Institutions" publication. Per reftel request, the Embassy has no information linking the three MFIs to terrorism, money laundering, or corruption. End Summary.

Background on WWB Bucaramanga, Cali, and Popayan

¶2. (U) WWB Bucaramanga, also known as Fundacion Mundo Mujer (FMM), was established in 1986. It has over 155,000 clients, 73% of them women. With a portfolio of over \$135 million, WWB Bucaramanga provides basic loans, individual loans for working capital, seasonal loans and very short term loans to meet demand during special holidays. Its clients are primarily low income families. In December 2007, Forbes magazine ranked WWB Bucaramanga as the fourth best microfinance institution in its publication, "Top 50 Microfinance Institutions." WWB Bucaramanga has 35 branches in nine departments.

¶3. (U) WWB Cali began operations in 1980 and joined the Women's World Banking network in 1982. The microfinance institution has 59 branches in 12 states serving over 220,000 clients, 68% of them women. WWB Cali has a portfolio of more than \$240 million and provides basic individual loans for working capital purposes, short term seasonal loans to meet the demands of special holidays, housing loans, educational loans, and motorcycle loans. Forbes ranked WWB Cali as the tenth best microfinance institution in the world. The World Bank and the Inter-American Development Bank (IDB) also highlighted WWB Cali's performance in both transparency and portfolio management. Duff and Phelps, a financial advisory and investment banking services company, awarded a rating of AA+ to WWB Cali in 2008.

¶4. (U) WWB Popayan, also known as Fundacion Mundo Mujer (FMM), was established in 1985 as a branch of Women's World Banking (WWB) in Cali. In 1989, WWB Popayan became an independent microfinance institution. The institution has over 223,000 clients, 71% of them women. With a portfolio of over \$142 million, WWB Popayan and its 30 branches throughout Colombia provide a variety of products, including business loans, seasonal loans, preferential loans, rural loans, secured loans, housing loans, educational loans and car loans. Forbes ranked WWB Popayan as the ninth best microfinance institution in the world. FMM Popayan also won the 2008 Inter-American Development Bank Award for Excellence in Microfinance (Non-Regulated Institutions) for the second time (in eight years) and is the only microfinance institution to receive this recognition twice. The IDB praised FMM's economic and social contribution and impact. FMM Popayan has the lowest average outstanding balance of any major Colombian microfinance institution, and it is exceptionally well capitalized, with more than \$45 million in equity.

¶5. (SBU) Among the three listed MFIs, the Embassy through its USAID office has provided technical assistance to WWB Popayan in the design and implementation of a microfinance program. According

to USAID, among the 30 financial institutions that received USAID technical assistance, WWB Popayan is one of the best institutions in terms of adopting new methodologies, improving accounting and reporting standards, increasing financial coverage of targeted populations, and adapting to change.

¶6. (SBU) WWB's Bucaramanga, Cali, and Popayan are well known in Colombia and in international microfinance circles. Colombia's National Association of Financial Institutions (ANIF) gave high marks to all three MFIs. The Embassy found no derogatory information linking WWB Bucaramanga, Cali, and Popayan to terrorism, money laundering, or corruption.

Prospective MFI Candidate

¶7. (U) Embassy also recommends potential funding for Pro Mujer. Although not located in Colombia, Pro Mujer is looking to enter Colombia to provide additional microcredit access as well as business training, healthcare and health education to poor women entrepreneurs. Founded in 1990, Pro Mujer is an international women's development and microfinance organization that alleviates poverty in Latin America with current operations in Argentina, Bolivia, Mexico, Nicaragua, and Peru.
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